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International cooperation in combating transnational crime: new challenges in the twenty-first century

International cooperation in combating transnational crime: new challenges in the twenty-first century

Background paper for the workshop on combating corruption**

Summary

The workshop on combating corruption will deal with issues related to the prevention and control of corruption using a multidisciplinary approach, as advocated in the Global Programme against Corruption of the Centre for International Crime Prevention and the United Nations Interregional Crime and Justice Research Institute. According to the Global Programme, the purpose of a national anti-corruption programme is (a) to increase the risk and cost of being corrupt; (b) to build integrity such that the rules of the game and the behaviour of the players change; and (c) eventually to ensure the rule of law.

Among the few success stories, the experience of Hong Kong Special Administrative Region (SAR) of China should have shown that it takes time and considerable effort to curb corruption in a systemically corrupt environment. After more than 25 years, Hong Kong SAR is now spending 90 million United States dollars per year (1998 figure) and employs 1,300 staff, who in 1998 conducted 2,780 training sessions for the private and public sector. The Independent Commission against Corruption (ICAC) is focusing its efforts on three major areas: (a) the Operations Department, which investigates complaints; (b) the Community Relations Department, which conducts community outreach, educational programmes and their development; and (c) the Corruption Prevention Department, which aims at preventing corruption through improved systems and procedures. The amount spent is probably more than all 50 African countries spent on fighting corruption in 1999.

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Taking into account the increasing number of international instruments dealing with corruption, the Workshop will be aimed at promoting coordinated efforts for the development of joint strategies for the implementation of those international instruments and best practices in prevention at the international, national and municipal levels.

A solid and successful anti-corruption strategy advocated rests on four pillars: (a) economic development; (b) democratic reform; (c) a strong civil society with access to information and a mandate to monitor the actions of the State; and (d) the presence of the rule of law. Given these four broad principles, there are four basic areas in which action can be taken against corruption within a country:

(a) The basic institutions of good governance need to be strengthened, first and foremost, the judiciary, which is itself the guardian of laws and of integrity. If the judiciary itself is corrupt, the problem is compounded and the public at large is left without the rule of law;

(b) The capacity and integrity of enforcement need to be enhanced. The best law has no value if it is not enforced. The best judges and magistrates are wasted if cases are never brought before them. Good investigations are wasted effort if the police or prosecutors are themselves corrupt;

(c) A Government needs to put in place a solid set of preventive tools. Codes of conduct and strong independent oversight bodies can help ensure that acceptable standards of behaviour are followed in both the private and public sector. Political leaders in all branches of government, the legislature and the judiciary can be required to have transparency in their own financial dealings through asset disclosure for themselves and members of their families;

(d) The public needs to be educated on the advantages of good governance. It must also be clear that the public itself bears a large share of responsibility for insisting on honesty and integrity in government and business. Members of the public need to learn not to let anybody buy their votes; not to pay bribes themselves; to report incidents of corruption to the authorities; and to teach their children the right values, for instance, that integrity is good and corruption is bad.

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I. Introduction

1. The topic of corruption has long been a priority of the Commission on Crime Prevention and Criminal Justice. The United Nations Interregional Crime and Justice Research Institute (UNICRI) has been entrusted with the organization of a workshop on combating corruption within the framework of the Tenth United Nations Congress on the Prevention of Crime and the Treatment of Offenders. The preparatory work for the workshop has included, in cooperation with the International Scientific and Professional Advisory Council of the United Nations Crime Prevention and Criminal Justice Programme, the organization of an International Conference on Responding to Challenges of Corruption in Milan, Italy, on 19 and 20 November 1999.

2. In its resolution 54/128 of 17 December 1999, entitled "Action against corruption", the General Assembly stressed the need for a global strategy against corruption, and invited Member States to examine the adequacy of their domestic legal regimes in terms of preventing and controlling corruption and providing for forfeiture of the proceeds of corruption.

3. The Office for Drug Control and Crime Prevention of the Secretariat has recently launched a Global Programme against Corruption (E/CN.15/1999/CRP.3), to be undertaken jointly by the Centre for International Crime Prevention and UNICRI. The Global Programme is aimed at assisting Member States in their efforts to curb corruption through two components, assessment and technical cooperation. The first component involves the development of a corruption-monitoring protocol for a thorough assessment of corruption at all levels, while the second component envisages the implementation of a set of technical assistance activities aimed at building and/or strengthening institutional capacity to prevent, detect, investigate and repress corruption.

4. The workshop on combating corruption will adopt the multidisciplinary approach advocated in the Global Programme and discussed at the Milan Conference, according to the following structure:

(a) Aspects and causes of corruption: the three levels of corruption, the organized crime nexus;

(b) Measures against corruption at the international and national levels;

(c) Prevention and best practices;

(d) Recommended executive, law enforcement, legislative, private sector, civil society and international measures.

5. The sessions of the workshop will aim at promoting the best practices approach advocated in the Global Programme, by bringing such practices to the attention of potential donor and recipient countries. Particular attention will be devoted to issues of prevention, taking into consideration their potential effectiveness in raising the risk of being caught when combined with: (a) a strong political will; (b) increased balancing of power across the legislative, judiciary and executive; (c) an empowered civil society; and (d) the existence of free and independent media with access to information to confront corruption.

II. Aspects and causes of corruption

6. There is a general consensus that, although the most serious consequences to the economic and social development of a country are likely to come from the spread of corruption at the upper levels, citizens' perception is related for the most part to their own first-hand experience with public administration at the "street" level. While bribery was seen for many years as a way of getting things done in most developing countries and countries with economies in transition, this "greasing the wheel" syndrome has turned into "sanding the wheel". This change in perception is due in part: (a) at the international level, to the recent economic crisis in Asia, which, according to many experts, was triggered in part by inadequate corporate governance practices (e.g. inadequate accountability and transparency) and (b) at the national level, to the fact that citizens who give bribes are actually less likely to be satisfied with the service received than those not paying bribes, as shown by data from surveys in Uganda (1998), Ukraine (1999) and the United Republic of Tanzania (1997). In the United Republic of Tanzania, survey participants who did not pay a bribe were 2.9 times as likely to find a higher level of service provided. On the other hand, those who paid bribes were 1.7 times more likely to receive poor service than good service. In fact only 13 per cent of those surveyed paid a bribe and received good service.[1]

7. Types of corruption have been classified in many ways in the literature. For example, distinctions can be made between "petty" or "survival" and "grand" corruption, or between "episodic" and "systemic" corruption.[2] Another distinction has been made between

"simple" and "complex" corruption as it is observed in European countries.[3] This paper will refer to three levels—"street", "business" and "top" political and financial—as referred to in the Global Programme against Corruption.

8. In discussions of the issue of corruption, a distinction must be made between the supply and the demand side of that activity. Corruption involving the supply side focuses on the payment of bribes in return for specific services, preferential treatment or contracts, while corrupt practices occurring on the demand side include solicitation of bribes and/or extortion. The latter is typical of corruption involving political and financial powers.

9. Countries that are in a developing phase are most susceptible to corruption. This is basically the result of a change in the needs of civil society as it moves towards a consumer society in combination with imperfectly organized and enforced public and judicial administrations. Previously existing corruption at the street level thus provides a hotbed for corruption at higher levels. Greed, social injustice, peer pressure and a lust for social status and power may all be contributing factors. Since corruption is in a narrow sense a victimless crime, the low risks of discovery and punishment do little to decrease the prevalence of these factors.[4] Additionally, certain country-specific factors, such as population size and natural resources, also appear to be strongly linked with the prevalence of bribery and corruption.[5]

10. Countries that are radically reforming their economic and political systems, such as many central and eastern European countries during the 1990s, are confronted with corruption in the business sector and at the high political and financial levels. Their exposure stems mainly from the strong impact of reforms on their national economy, through the large-scale privatization of former state-owned properties, such as enterprises, buildings and other holdings, which are an important part of national economic value.[6] The new opportunities arising from the distribution of such property increases the appeal of obtaining illegal advantages. The actors in this context are not only national or international business people, but also, in the case of high-level corruption, national decision makers holding political and administrative office.[7]

11. Finally, developed countries are also susceptible to corruption as a result of elite groups establishing closed networks in which distinctions between private and public interests become blurred.

12. A further multiplier of corruption is the increasing involvement of organized crime. As occurs in the business world, the influence of organized crime over public structures through the corruption of public officials is linked for the most part with international transactions, whether exports or imports. In that context, it should be noted that a close relationship exists between tax rates, trade barriers and the involvement of organized crime.

13. As a rule, corruption goes hand in hand with abuse of power, political and economic monopolies and organized crime. Thus, cultural, political, economic and legal measures, including criminal justice, to prevent and fight corruption cannot be divorced from broader processes of political democratization, economic and social development and reliability of financial and legal transactions. To implement effective action against corruption, commitment on the part of the Government at the highest level must be publicly demonstrated by providing a good example to all sectors of civil society, including politicians, business, public administration and the private sector.

A. Consequences of corruption

14. The consequences of corruption are disastrous both for the economy in general and for the citizens in particular. The pain caused by corruption at the village level has best been described by more than 3,500 villagers participating in 348 focus groups facilitated by Community Information, Empowerment, Transparency (CIET) in Uganda in 1998.[8]

15. Corrupt behaviour, such as bribery, also produces external costs in the form of "added taxes", which are mainly shouldered by the national economy. This undermines efficient allocation of badly needed financial resources for economic development, in particular in developing countries, and is distorting the composition of public expenditure.

16. In the context of international trade, corruption—in particular in the form of bribery—serves as a barrier to trade and investment.

17. As a result, a corrupt environment may present global investors with a poor environment in which to place their capital. Those investors most likely to make a long-term contribution to development may therefore be discouraged, while those who seek quick profits through dubious ventures may instead be encouraged.[9] This in turn increases the harmful effects of corruption on the global economy,

which have been mounting. It has been shown that countries suffering from pervasive corruption invest less and achieve lower economic growth.[10] A country with widespread corruption is likely to achieve aggregate investment levels of almost 5 per cent less than a country relatively free of corruption and to lose about half a percentage point of gross domestic product growth per year.[11]

18. Corruption in both the public sector and the private sector, regardless of the level at which it occurs, can jeopardize free trade, distort competitiveness and undermine the stability upon which the free market system is based.[12] Companies may resort to bribery as a means of bypassing existing trade barriers or reducing national tariffs and expediting international trade. Such action, however, undermines the position of the State, reducing government revenue and violating important environmental and safety standards, among other things.

19. Widespread corruption jeopardizes the credibility of Governments and their institutions. As a result, a negative culture arises in which priority is given to individual success and short-term achievement. Systemic corruption also weakens the effectiveness of punishment tools: it is hard to punish one person severely when so many others are likely to be equally guilty.[7] Within such an environment, organized crime is likely to grow and infiltrate high levels of public administration. In the worst scenario, public order may break down, as occurred in Albania in March 1997,[13] or there may be civil war.

B. Top-level corruption

20. Top-level corruption is often controlled by hidden networks and represents the sum of various levels and types of irregular behaviour, including abuse of power, conflict of interest, extortion, nepotism, tribalism, fraud and corruption. It is the most dangerous type of corruption and the one that causes the most serious damage to the country or countries involved. In developing countries, such corruption may undermine economic development through a number of related factors: the misuse or waste of international aid; unfinished development projects; discovery and replacement of corrupt politicians, leading to political instability; and living standards remaining below the country's potential.

21. Industrialized countries, in particular, have been freed with systemic corruption at the highest level of government. An environment in which long-term rule by one political party and a system made up of a few social and political groups that share power over decades is conducive to the establishment of networks. Such personal networks hide behind consensual agreements, justified by political, social, ethnic and religious arguments, so that it is difficult for the public to become aware of them. These links are often discovered inadvertently, allowing them only then to be prosecuted. Unfortunately, since individuals or small parts of the network are generally identified, the prosecution is, in most cases, unable to identify or eliminate the entire network.

22. As public awareness increases of the immediate negative effects of high-level corruption on day-to-day life, tolerance of the problem will be reduced. Media reports can be very effective in bringing corruption scandals to the attention of society. The perception that a scandal exists and the motivation to have the participants brought to justice are the first signs of citizens' empowerment and willingness to confront the phenomenon.

C. Corruption in public administration and the criminal justice system

23. Public administration officers, as the authority issuing licences, permissions, permits and other official authorizations, are both potential targets for corrupters, as well as instigators of corrupt practices. Within the police, opportunities are even greater, since that institution not only enforces the laws but also has the power to deprive individuals of their freedom, through the use of legitimate force, and to carry out investigations into criminal conduct that may lead to severe sanctioning and/or economic penalties.[14] It appears that, in particular in a number of developing countries and countries with economies in transition, further efforts are needed in order to improve the social status and salaries of public officials, thus making them less vulnerable to the lures of bribery. In Uganda, of the 18,412 households surveyed in 1998, 63 per cent reported having paid bribes to the police and 50 per cent to the courts. While the median bribe paid to the police was 20,000 Uganda shillings[15] (20 United States dollars) the median bribe paid to the courts was U Sh 50,000 ($50).[8]

24. Reforms are also needed to facilitate and make more transparent both the decision-making process and interaction with citizens. It is difficult to deal with corruption when there is a lack of confidence between the citizenry and public administration. Such a situation will be

exacerbated if discretionary power over public and/or private affairs is concentrated mainly in the political regime or the financial-political administrations that still maintain a philosophy of power over citizens rather than a service to citizens.[16] Initiatives must therefore be undertaken that not only reform the organization of public administration but also modify the political culture as it relates to economic instability and market culture.

D. Corruption in the private sector

25. Businesses may either be the perpetrator of corruption by offering bribes to public officials to secure contracts[17] or they may be the victim, being solicited for bribes by public officials or other businesses from whom they can obtain licences, contracts, protection or assurances. Corruption may be confined entirely within the business world, occurring between companies,[18] or it may extend into the arena of government or public officials. In either case, the corrupt environment tends to favour domestic companies familiar with the local way of doing business. In addition to lacking sufficient local market knowledge, foreign firms may also be liable in their own country if they are prohibited from offering bribes by their national foreign bribery legislation or if their Governments have ratified international agreements such as the Organisation for Economic Cooperation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

26. Business activities involving corruption and bribery are not always wilful acts on the part of criminal organizations. It may be difficult for establishments to refuse to pay bribes. Organizations with a strong ethical corporate culture may be able to resist the temptation and large multinational corporations may be able to afford to lose contracts in order to avoid situations involving bribes. Such decisions, however, may be more difficult for smaller businesses whose survival may depend upon securing a particular contract. According to Laufer,[19] 97 per cent of all convictions in United States federal courts involved companies with less than 50 employees. This, however, may reflect the fact that small businesses are being targeted or that it is easier to obtain a conviction in cases involving smaller businesses with limited resources and skills.

27. Another problem faced by businesses are transactions in grey areas where corruption is less obvious. These are areas where activities such as the issuance of commission payments, signature bonuses, facilitation payments and donations to humanitarian causes all begin as legitimate practices, but somewhere in the process turn into corrupt practices or activities. The question for many businesses is how to decide what actually constitutes a bribe.[20]

28. When examining issues of corruption addressed in various international conventions on corruption and bribery as well as the penal laws in various countries, it becomes clear that there are no good subjective or objective measures of corporate compliance.[19] Furthermore, many such agreements focus on a narrow definition of corruption, which has resulted in the enactment of more comprehensive national legislative acts or penal laws to cover activities not addressed in international treaties.[21]

E. The link to organized crime

29. Situations in which legitimate businesses are reduced to paying bribes or witness legitimate practices transformed into criminal behaviour were examined in the preceding section. The situation is completely different where organized crime is involved in illicit activities.

30. There is a tenuous line between activities involving corruption and other organized criminal pursuits. Organized criminal groups are involved in corrupt practices, possibly in the form of extortion, bribery or illegal political campaign contributions in order to gain an advantageous share of a particular market. Laundering illegal profits for reinvestment into the legitimate economy further strengthens that advantage.

31. The corruption-organized crime nexus has long been recognized. Strategic corruption, or mutual accommodation, between organized crime and the police or long-lasting strategic alliances between organized crime and local authorities like town councils, political parties or entrepreneurs[22] are examples of the damaging influence of organized crime. An airline based in Japan participated in such an arrangement when it paid an estimated 22.8 million yen to an organized criminal front company over a three-and-a-half-year period in order to ensure peaceful shareholder meetings.

32. Because organized crime penetrates at all levels of the business world, measures to combat its influence must be developed at each of those levels as well.

33. The draft United Nations Convention against Transnational Organized Crime, in its article 4 *ter* (see

A/AC.254/4/Rev.6), envisages the criminalization of corruption when an organized criminal group is involved. The types of acts publishable under the Convention will include corrupt activities involving an international civil servant, a foreign public official, a judge or other official of an international court.[23] The importance of addressing organized crime's perpetration of and involvement in corruption is undisputed. The degree to which the draft Convention should address corruption issues remains unclear, however, in view of the fact that such offences may be included in future international instruments on corruption.

III. Responses to corruption

A. National measures

34. Successful experiences (such as in Hong Kong Special Administrative Region (SAR) of China[4] have shown that there are four important components to any anti-corruption strategy: (a) awareness-raising and public education; (b) institution-building across all sectors (judicial, legislative, executive, private, civil society, media); (c) prevention; and (d) enforcement.

35. A distinction should be made between the political and legal national measures to be considered in combating corruption. Progressive legal measures can only be enforced effectively when a political environment is established that does not tolerate corrupt behaviour and that guarantees good governance.

1. At the political level

36. Since corruption is a hidden crime, transparency within general public processes is one of the most important political needs. Public administration must be regarded primarily as a service to citizens and not as the exercise of power. Rules of conduct and clear rules of procedure concerning access to public works or contracting must therefore be developed and adopted. Furthermore, a clear and simply structured public administration is needed, so that there are few opportunities to use complex administrative arrangements to hide corrupt behaviour. In accordance with the principle of checks and balances, such a system should also include a strict separation of responsibilities so that no single agency or branch is responsible both for decisions and for their enforcement. Moreover, a strict separation between and independence of different administrative units is needed in order to avoid the appropriation of key positions within different institutions by corrupt networks. In combating high-level corruption, binding and unambiguous rules of recruitment and disciplinary sanctions must be established. Finally, the effectiveness of those measures must be ensured by independent monitoring and control mechanisms such as auditing.

37. In addition, an administration that is impervious to corruption also needs a civic political culture in which the public can critically observe official activities, which in turn requires transparency in and accessibility of fiscal data concerning all public transactions. Monitoring, auditing, the oversight of independent commissions and a strengthened free press can achieve those objectives.[24] The effectiveness of such anti-corruption monitoring bodies is illustrated by examples such as the Independent Commission against Corruption in Hong Kong SAR, the Corrupt Practices Investigation Bureau in Singapore and the New South Wales Independent Commission against Corruption in Australia.[25] Although the creation of independent commissions is regarded as largely successful, some question whether such organizations should have exclusive jurisdiction over the problem.[26]

38. The encouraging progress in combating crime by installing control mechanisms can also be seen in Poland and Uganda.[27] Another effective instrument to sharpen public pressure against corrupt institutions is the scorecard method, whereby users rate local service-providing agencies. This measure was installed in Bangalore, India, Samual Paul, helping to reduce bribery and resulting in the firing of corrupt officials.[28]

39. In addition, those economic policy reforms which would minimize opportunities for corruption should be considered. As stated previously, corruption is often used to circumvent tariffs, taxes and barriers. Therefore, minimizing such openings for illicit behaviour will help to reduce corruption and also open up new resources within the administration to control and enforce the remaining barriers such as environmental and security standards.

2. At the legal level

40. National measures within the legal system refer mainly to the development and application of various legal tools, such as criminal sanctions and—something that has mostly gone unnoticed so far—the use of non-criminal measures such as liability, negligence or the confiscation of illicit assets.

41. It should be noted at the outset that all administrative reforms also have to be implemented within the judicial system and the preferred administration. This may include restructuring the courts. A single-judge system is more vulnerable to corruption than a chamber or a jury system.[29] To guarantee a controlling system against corrupt judgements at least some form of appeal should be available. An efficient corruption-free court system needs proper case management to ensure equal and fast access to justice.

42. Furthermore, successful prosecution depends on adequate procedural rules. In that context, rules, laws and legal measures protecting witnesses and whistle-blowers should be available. This is motivated by the fact that corruption cases are often only discovered by relying on those information channels. Experience has proved that a specialized jurisdiction with secret witnesses and hidden evidence is not an adequate measure for combating corruption. This is mainly because the public is likely to perceive it as faceless justice and, because of the latter's lack of transparency, they may lose confidence in the judicial system.[30]

43. Strengthening the criminal law is one of the most important legal tools against corruption. This includes norms for the punishment of bribery and corruption on the supply and the demand side within the public and private sector. Continuing along this line, since business- and high-level corruption are often committed by legal persons, normative solutions must be developed concerning their criminal responsibility.

44. However, criminal law as a repressive measure must be supplemented by preventive, non-criminal tools to achieve a new ethical, corruption-free culture. As an example, reforming commercial law is one of the optional measures. Binding rules of conduct, auditing and control are needed to establish transparency within the business world and public administration. Furthermore, corruption within the private sector should be sanctioned, especially by rules of private law, to ensure that corrupt behaviour becomes unattractive. The example of the Republic of Korea shows that such rules could be effectively applied by finding companies negligent for breaching standards of supervision.[31]

B. Prevention

45. Four components appear to be crucial for effective prevention of corruption: (a) economic development; (b) democratic reform; (c) a strong civil society with access to information and a mandate to oversee the State; and (d) the presence of the rule of law.[2] It should be noted, however, that there is no single model or practice that suits all countries and each jurisdiction needs to explore practices drawn from a variety of options.[4] Measures to prevent corruption, in the form of codes of conduct and training in ethics, must focus on various sectors and all levels within society to include local institutions in the public and private sectors, including public administration, political office and corporations at the local, national and international levels.[24]

46. Organizations are instrumental in curbing corruption within their own structure through internal measures such as clear procedures, a simple accounting system, an effective supervisory system and transparency, and the adoption of a suitable code of conduct will raise ethical standards within the organization. Leaders must foster a culture of honesty within their organizations and compliance programmes must be introduced that include training of employees at all levels. Businesses must define and apply corporate values and foster an "aspiration" mentality as opposed to a "compliance" mentality.

47. On the whole, Governments have been reluctant to acknowledge the very real problem of solicitation. This creates the illusion that businesses are the source of corruption. The solution is for Governments to acknowledge the demand side. Companies need some form of assistance against solicitation of bribes and Governments must take responsibility for dealing with this. Cooperation must be international.

48. In the 1997 UNICRI study on corruption in countries with economies in transition,[32] suggestions were proposed for the development of prevention measures: (a) increase fair competition; (b) reduce monopolies in the market; (c) enact an adequate economic and social policy; (d) introduce checks and balances for decision makers; (e) increase transparency in public administration and simplify administrative procedures; (f) introduce integrity testing, auditing procedures and structures; (g) enhance legislation and control of corruption in vulnerable sectors; (h) improve controls over banks, including by removal of bank secrecy, encouragement of detecting and reporting of corruption, and reduction of cash transactions; and

(i) provide more information to the public and raise public awareness.

C. Use of statistical data to understand the dimensions of corruption

49. It is usually difficult to provide a clear picture of the dimensions of corruption through the use of official crime statistics. First of all, at best, official crime statistics measure the extent to which people breach current legal codes and therefore cannot record those types of corruption which are not envisaged by current domestic legislation. Furthermore, only incidents that are actually reported to the police are recorded. If people are afraid of or do not have faith in the criminal justice system, they will not report incidents even if they become aware of them.[32]

50. Nevertheless, some standardized information is available at the international level through the United Nations Survey of Crime Trends and Operations of Criminal Justice Systems.[33] The International Crime Victim Survey[34] has an advantage over other sources on corruption because it measures the magnitude of crime based on the direct experience of citizens and targets it to public officials. In other words, it attempts to capture the magnitude of bribery by public officials, which is probably the least transparent yet most conventional form of corruption.[35]

51. More and more surveys are being used in the battle against corruption. Broadly there are two categories of surveys:[36]

(a) *Awareness-raising surveys*. These are conducted by international organizations and measure perceived levels of corruption across countries in order to raise awareness and encourage international monitoring. The data are used mostly by international organizations for awareness-raising and sometimes for monitoring (for example, the Transparency International corruption perceptions index);[37]

(b) *Community-based planning surveys*. These surveys are conducted by national anti-corruption agencies and measure perceived levels of corruption at the national and/or municipal levels in order to establish a baseline to increase accountability, but also to facilitate community-based planning, where the data are being used as an input to a national or municipal action planning process. Such surveys tend to be large, they are often supplemented by focus groups and may be disseminated through broad-based action planning workshops.

52. The opinions of selected professionals from the criminal justice system and/or business people, such as those used in the surveys carried out by Transparency International for the production of its corruption perceptions index, can constitute a third source of information.[38] The index relies mainly on perceptions of the importance of the phenomenon drawn from different sources, at different periods of time and from different individual respondents.

53. The high correlation among various international statistical sources, although those sources are very different one from another, suggests that a high level of street corruption is likely to predict a high level of business corruption, as well as a high level of political and financial corruption (which rarely comes to light). The opposite may not be true, since a high visibility of serious cases of political and financial corruption may reveal the willingness of a society to eradicate the phenomenon, thus indicating a widespread consensus against corrupt behaviours.

54. A study on corruption carried out by UNICRI in nine countries with economies in transition in 1997[39] identified problems in the areas of legislation, organization, development of skills and information. In the area of legislation a lack of comprehensive anti-corruption laws, including lack of provisions to extend corruption to the private sector and foreign officials, was identified. In addition, obscure provisions existed regarding certain investigative techniques, such as wiretapping and/or electronic surveillance; undercover agents; protection of witnesses and means of securing their testimony; and the possibility of investigating private banks and international transactions. The study concluded that the concept of corporate liability was generally absent.

55. Among the organizational, skill-related and information-related obstacles to combating corruption, it was found that a lack of cooperation occurred among and within national agencies, other countries and international organizations. There were also insufficient financial resources and technical equipment to apply special investigative techniques and inadequate databases and networks to allow for analysis and monitoring of corruption trends and cases, or to carry out information exchange among the different agencies dealing with corruption. Moreover, criminal justice personnel had low social status and there were difficulties recruiting competent personnel.

Finally, there was a lack of intra-organizational auditing and monitoring and problems existed in implementing codes of conduct.

56. These are constraints that can make it difficult to address the problem of corruption properly that should be dealt with in order to ensure that legislation is enforced effectively.

D. Future areas of concern

57. There are a number of areas in which Governments and businesses alike must concentrate their future efforts if the fight against corruption is to be successful. The relatively recent international/transnational dimension of corruption has led to overlapping concepts of transnational organized crime and corruption, international fraud and economic crime. Each of these must be properly addressed by comprehensive tools that encompass all possible forms of misconduct in international financial transactions.

58. International cooperation should concentrate mainly on the harmonization of trade, security, environmental and tax rules in order to close loopholes that facilitate corruption and illegal gain. Moreover, in order to achieve concrete results, close cooperation between the police, customs and financial authorities of the countries concerned is needed. Since international transactions are also used to hide illicit gains, adequate measures against money-laundering are recommended. Finally, worldwide accounting and auditing standards are necessary to ensure transparency in international business transactions.[40]

59. With the globalization of markets, the growth of multinationals and the expansion of commerce via the Internet, jurisdictional problems will arise in the investigation and prosecution of cases. As cases become more complex, the necessary expertise must be developed to allow the successful investigation and prosecution of elaborate corruption and bribery schemes. Illicit business contributions to political campaign funds should also receive attention.

60. Moreover, the culpability of legal persons and which are the responsible officers within organizations must be determined and the appropriate penalties decided upon. Legislation must make possible successful prosecution of businesses or corporations and provide for the seizure of assets obtained through bribery, corruption or other illicit practices.

61. As organized crime becomes more involved in corrupt business practices, resulting in the need to launder illicit gains, the transparency of off-shore banking companies will become a major concern.

IV. International experience and activities

62. Since the phenomenon of corruption is a worldwide problem, international cooperation is required to close loopholes caused by the existence of double standards[41] and to undertake joint measures.

63. With the growing globalization of the economy and the internationalism of illegal activities, international cooperation among Governments, with the involvement of international organizations, the private sector and civil society, has become essential to fight corruption. The media have devoted considerable attention to corruption in the public sector, while citizens have begun to speak out more resolutely against unethical behaviour by public officials. A number of instruments have already been adopted to combat corruption at the international level.

A. United Nations

64. The most important instruments promoted by the United Nations in the area of corruption are the Code of Conduct for Law Enforcement Officials, adopted by the General Assembly in its resolution 34/169 of 17 December 1979, and the International Code of Conduct for Public Officials, which the Assembly adopted in its resolution 51/59 of 12 December 1996.[42]

65. In 1996, the General Assembly adopted the United Nations Declaration against Corruption and Bribery in International Commercial Transactions (resolution 51/191, annex), in which it recognized the need to promote social responsibility and appropriate standards of ethics both in the public sector and in private corporations, including transnational corporations, and for individuals engaged in international commercial transactions, *inter alia*, through observance of the laws and regulations of the countries in which they conduct business and taking into account the impact of their activities on economic and social development and environmental protection.

66. To provide assistance to countries in applying those instruments and their provisions, the United Nations has

also drawn up a manual on practical measures against corruption.[26] A meeting of experts from all regions was convened in Buenos Aires in 1997 (see E/CN.15/1997/3/Add.1) to consider ways and means of strengthening international cooperation in this area, as well as to offer suggestions on the revision and expansion of the manual. The expert group meeting recommended that consideration be given to a range of specific measures, including:

(a) Disclosure by public officials of assets and liabilities;

(b) Introducing or strengthening existing independent auditing institutions or bodies that monitor public expenditures;

(c) Establishment of specialized anti-corruption bodies;

(d) Measures to introduce or encourage transparency in the management of public funds and in the decision-making process;

(e) Establishment of transparent and competitive procedures for tendering and supervision of public works contracts and introduction of clear procurement rules;

(f) Measures to ensure free competition, including anti-trust regulations;

(g) Measures to prevent improper advantages;

(h) Elimination or curtailment of bank secrecy;

(i) Measures to ensure and encourage public participation;

(j) Measures to ensure accountability and effective disciplinary action;

(k) Financing of political parties and campaigns;

(l) Guaranteeing freedom of parties and the right to information;

(m) Preparation and introduction of codes of ethics for certain types of profession;

(n) Preparation of a programme to encourage the implementation of guidelines for the performance of duties similar to the International Code of Conduct for Public Officials.

67. The recommendations of the expert group meeting were also at the basis of the development of the corruption monitoring protocol, the assessment component of the Global Programme against Corruption.

68. The issue of corruption has been taken up by the Ad Hoc Committee on the Elaboration of a Convention against Transnational Organized Crime. At its sixth session, the Ad Hoc Committee discussed the possible inclusion of articles on the criminalization of corruption of public officials by organized crime groups and on other measures to prevent and control such corruption. Furthermore, in its resolution 54/128 of 17 December 1999, the General Assembly requested the Ad Hoc Committee to explore the desirability of an international instrument against corruption, either ancillary to or independent of the Convention to be developed after the finalization of the Convention, and the three additional instruments referred to in resolution 53/111, and to present its views to the Commission on Crime Prevention and Criminal Justice. The Ad Hoc Committee decided to take action on the issue during its seventh session, to be held in Vienna from 17 to 28 January 2000, and made specific recommendations for the development of a global instrument against corruption.

B. European Union

69. A protocol to the Convention on the Protection of the European Communities' Financial Interests, adopted in 1996, criminalized active and passive corruption of national and Community officials. A second protocol, adopted in 1997, included provisions for the criminalization of laundering of proceeds generated by corruption and introduced the liability of legal persons involved in organized crime. The Convention on the Fight against Corruption involving Officials of the European Community or Officials of Member States of the European Union, adopted in 1997, criminalized active and passive corruption of officials even where financial damage to the Union was not at issue. The Joint Action of 22 December 1998 adopted by the Council on the basis of article K.3 of the Treaty on European Union, on corruption in the private sector, constituted another important instrument.

70. The Action Plan to Combat Organized Crime, endorsed by the European Council of Ministers in June 1997, identified the need for a comprehensive European Union policy to fight against corruption. The Commission advocated the establishment of a European Union policy against corruption in response to a call from the European Parliament for the development of such a policy and in anticipation of the Action Plan.[43]

C. Organisation for Economic Cooperation and Development

71. At the national level, Governments have responded to problems of corruption in various ways, including with campaigns to combat it, evaluation of the rules applying to public officials and adoption of service charters and codes of conduct. OECD has been helping its 29 member countries to review and reform the institutions, systems and conditions used to promote ethics in the public sector and its work on public sector ethics contributes to the global battle against corruption by addressing the demand side of the corruption equation.[44] In the OECD approach, corruption is recognized as not simply an individual criminal action, but rather the result of a systematic failure and management problem reflected in weak public institutions.

72. OECD has found that the State's role in preventing corruption is as complex as the phenomenon of corruption itself and that a combination of interrelated mechanisms including a system for managing ethics, specific prevention techniques and effective law enforcement ("an ethics management system"), is necessary for success. Based on a set of principles for managing ethics in the public sector developed and agreed upon by representatives of member States to support Governments in their review of ethics management systems, the OECD Council adopted the Recommendation for Managing Ethics in the Public Service in April 1998. The Council also instructed its Public Management Committee to analyse information provided by member States on how they apply those principles and to provide support to countries to improve conduct in the public service.

73. In 1994, OECD member States agreed on an initial Recommendation on Bribery in International Business Transactions. Subsequently, the Council adopted a Revised Recommendation on Combating Bribery in International Business Transactions in May 1997. Based on those Recommendations and on further discussion, all OECD member States and five non-member States adopted the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, which came into force on 15 February 1999.

74. The OECD Convention defines a public official very broadly in order to cover all persons exercising a public function, which may include any activity in the public interest, and a foreign official can be either a company officer of a public enterprise, a head of a government-designated monopoly or a senior officer of any company in which the Government exercises a dominant influence through majority ownership or control. The Convention requires that bribery of foreign public officials be punishable by effective, proportionate and dissuasive criminal penalties comparable with those applicable to bribery of domestic officials.

D. Council of Europe

75. The Council of Europe has played a significant role in the international fight against corruption since the 19th Conference of European Ministers of Justice, held in Malta in 1994, through its activities within the framework of the Multidisciplinary Group on Corruption. The cornerstone of the Council's strategy against corruption is the Criminal Law Convention on Corruption, which was adopted in November 1998 and has since been signed by 30 States and ratified by one.[45]

76. The substantive law elements in the OECD and the Council of Europe instruments follow directly from the aim and scope of each Convention. While the OECD Convention prohibits one specific type of corruption and makes no provision for reservations, the Council of Europe Convention prohibits various forms of corruption and allows for reservations. As mentioned, the latter Convention provides for the criminalization of both active and passive bribery of domestic officials and is considered one of the most comprehensive treaties in the field, because it covers not only foreign public officials but also the passive side of bribery, and public officials and parliamentarians not only of member States but also of non-member contracting countries to the Convention.

77. The Council of Europe also finalized a Civil Law Convention on corruption in 1999, which is the first attempt to define common principles and rules at an international level in the field of civil law and corruption. The Council has also established a monitoring mechanism, the Group of States against Corruption (GRECO), which became operational in May 1999 and involves 21 member States. GRECO aims at improving the capacity of its member States to fight corruption by means of a dynamic and flexible process of mutual evaluation and peer pressure based on the 20 Guiding Principles for the Fight against Corruption (adopted by the Committee of Ministers in its resolution (97) 24 of 6 November 1997) and the implementation of the international legal instruments to be adopted. States that become parties to the Criminal Law

Convention or other instruments will automatically enter into a obligation to participate in GRECO and to accept its monitoring procedures.

E. World Bank[46]

78. The topic of combating corruption has recently generated substantial academic interest as well as support from the highest levels of the World Bank and the international community. The World Bank defined its role in the area in September 1997 and since that time corruption has become an increasingly important consideration in its lending activities.

79. The new Comprehensive Development Framework of the World Bank is founded upon the premise that corruption is a major hindrance to economic development and as a result governance issues have to be addressed as an important part of the development framework. More and more development experts have come to the conclusion that it is impossible to alleviate poverty without first curbing corruption. (This is especially the case in countries such as Nigeria, where 10 per cent of gross national product is diverted, or Indonesia, where the leakage from donor programmes is estimated at between 25 and 30 per cent.) The Bank is concerned not with the exercise of state powers in the broad sense, but specifically with the appropriate management of the public sector and the creation of an enabling environment for the private sector.

80. The framework for addressing corruption guides the World Bank at four levels:

(a) Preventing fraud and corruption within Bank-financed projects;

(b) Helping countries that request support in their efforts to reduce corruption;

(c) Greater consideration of corruption in country assistance strategies, country lending considerations, policy dialogue, analytical work and the choice and design of projects;

(d) Adding its voice and support to international efforts to reduce corruption.

81. The ultimate goal of the World Bank's strategy is to help countries move from systemic corruption to an environment in which a well-performing Government minimizes the negative effects of corruption on development. The strategy is based on action coming from three directions: (a) economic policy reform; (b) institutional strengthening; and (c) international action. The model assumes that corruption is a function of weak institutions and of policies that generate economic returns.

F. Other bodies and mechanisms

82. In 1977, the International Chamber of Commerce published its Rules of Conduct to Combat Extortion and Bribery. In 1994, the Rules were revised and made more stringent. Intended to aid businesses in self-regulation, the Rules address offences of extortion, bribery, kickbacks, auditing, financial recording and political contributions. They give priority to large-scale extortion and bribery involving politicians and senior officials as these represent the greatest threat and could cause the gravest economic distortions.[12]

83. To address problems of corruption in countries with economies in transition, it is necessary to promote economic growth, build strong democratic institutions and engender popular support for democracy. The European Commission and the Council of Europe have launched a joint programme, entitled OCTOPUS, aimed at strengthening and developing legislation and competence and improving cooperation among judicial authorities and law enforcement agencies of those countries.[47] OECD and the European Union are undertaking another joint initiative for these States, the SIGMA programme, which provides advice on building modern systems of public administration in 13 central and eastern European countries.[48]

84. The International Monetary Fund (IMF) also plays an important role in the area of combating corruption. In 1999 its Interim Committee adopted the Code of Good Practices on Transparency in Monetary and Financial Policies: Declaration of Principles, which followed the Code of Good Practices on Fiscal Transparency developed in 1998. The object of the Codes is to increase transparency in public and financial sectors. In order to increase the transparency of its own operation, IMF released public information notices, many policy papers, summaries of Board discussions, the external auditors' reports on IMF surveillance and other documents. Increasing transparency is, however, constrained at times by the unique and important role of IMF as a confidential adviser to member countries.[49]

85. Cooperation in international law enforcement is also important in enhancing accountability and transparency.

Following the Lima Declaration of 1997,[50] international organizations with mandates in the area of combating corruption, including the International Criminal Police Organization (Interpol) and the Customs Cooperation Council (also known as the World Customs Organization), should take steps to strengthen cooperation in international law enforcement. The initiative taken by Interpol was launched during the 1st International Conference on Corruption-Related Crime, held in Lyon, France, in April 1998. The initiative involved consulting a group of experts consisting of both law enforcement practitioners and an advisory anti-corruption group. The mission statement of the Interpol group emphasizes that (a) law enforcement sees itself as an integral part of the community; (b) both reactive and proactive actions should be employed in order to combat corruption effectively; and (c) the battle has to be fought by the community as a whole.[51]

86. Other institutions, including the Commonwealth Secretariat[9] and the Organization of American States (OAS), have also implemented their own instruments. The Commonwealth Secretariat has established an Expert Group on Good Governance and Elimination of Corruption in Economic Management, which prepared a report and a document entitled "Framework for Commonwealth Principles on Promoting Good Governance and Combating Corruption". OAS has promoted the Inter-American Convention against Corruption (E/1996/99, annex), which is aimed at fighting corruption in order to strengthen democratic institutions and to prevent distortions in the economy, improprieties in public administration and damage to civil society.

87. Although each institution has its own objectives and institutional framework, the effects on the legislation and practice of parties should be complementary. Co-ordination, sharing information and mutual understanding among international organizations are also important in enhancing the effectiveness of the international fight against corruption.

V. Measures required to succeed in the fight against corruption

88. Strong demand for good governance is increasing throughout the developing world. From local authorities and national Governments to donor institutions, corruption is one of the greatest obstacles to development. The governance programme presented in this paper works to empower individuals, communities and Governments by disseminating knowledge. This, in turn, results in greater government accountability and transparency, which are integral to building institutional capacity and improving service delivery. The programme helps Governments work more efficiently and helps the entire society participate in building an enabling environment for equitable and sustainable growth, resulting in timely and cost-effective services delivered to the public.

89. There are a number of areas that demand the attention of Governments. These are (a) the organized crime-corruption nexus; (b) the use of off-shore banks for the purpose of laundering money; (c) illicit business contributions to political campaign funds; (d) jurisdictional problems arising in the investigation and prosecution of transnational corruption schemes; and (e) the development of expertise in the investigation and prosecution of complex corruption cases.

90. Organizations in the public and private sector at the local and national levels must adopt various measures if they are to achieve success in the fight against corruption. Economic development, democratic reform, a strong civil society with access to information and the presence of the rule of law appear to be crucial for the effective prevention of corruption. A list of measures or initiatives that should be developed and implemented at various levels within the public and private sectors is presented below.[2] Measures have to address both policy and systemic issues and behavioural or cultural aspects of change. In order to address both aspects in a holistic and integrated manner, the measures have been organized in five groups:

(a) *Public sector (executive) measures*

(i) Open up government to the public by inviting civil society to oversee aid and other government programmes; by establishing and disseminating service standards; and by establishing a credible complaints mechanism;

(ii) Deliver services closer to customers, thereby increasing transparency and in turn accountability;

(iii) Implement civil service reform that will professionalize the civil service and increase focus on integrity and results; replace patronage with consumer rights; and replace nepotism with meritocracy;

(iv) Enforce access to information;

(v) Focus on prevention projects that educate society as to the evils of corruption and instil a moral

commitment to integrity in dealings with business and government officials;

(vi) Create a specialized independent anti-corruption commission that focuses on prevention (research, monitoring education, training and advice), but also has investigative powers;

(vii) Strengthen state institutions by simplifying procedure; by improving internal control, monitoring, enforcement and efficiency; and by establishing the right incentives and remuneration;

(viii) Develop and strengthen independent investigative, legislative, judicial and media organizations;

(ix) Provide protective measures for witnesses and whistle-blowers;

(x) Provide independent audit and investigative bodies supported by adequate human and financial resources;

(xi) Develop or strengthen administrative remedies such as confiscation of illicit assets;

(b) *Law enforcement measures*

(i) Enforce the independence of the judiciary and the prosecution;

(ii) Increase the transparency and accountability of the judiciary;

(iii) Ensure integrity and accountability of the judiciary by predetermining assignment of judges; by securing the independence of public prosecutors; by increasing transparency through computerization; and by transparent monitoring of declared assets of judges;

(iv) Increase internal oversight and supervision;

(v) Secure the integrity of the judiciary by enforcing codes of conduct; by monitoring declared assets; and by strengthening internal disciplinary bodies;

(c) *Legislative measures*

(i) Enforce the independence of the legislature;

(ii) Pass and enforce necessary anti-corruption laws on campaign financing; independence of supreme audit bodies; freedom of information; conflict of interest; freedom of the media and freedom of expression; protection of whistle-blowers and witnesses; shifting the burden of proof regarding confiscation of illicit enrichment; decreasing the discretionary powers of the executive; amnesty; and investigative powers to conduct integrity tests or other investigative measures;

(iii) Secure the integrity of the legislature by enforcing codes of conduct; by monitoring declared assets; and by strengthening internal disciplinary bodies;

(iv) Strengthen the public accounts committee to oversee the supreme audit bodies reporting to parliament;

(v) Strengthen the anti-corruption watchdog agencies reporting to the legislature by securing the independence of anti-corruption agencies; by building credible complaints mechanism; and by enforcing integrity;

(d) *Private sector measures*

(i) Educate, aid and empower businesses to refrain from participating in illicit behaviour as either the victim or perpetrator of corrupt transactions;

(ii) Promote ethical standards in business through the development of codes of conduct, education, training and seminars;

(iii) Develop high standards for accounting and auditing and promote transparency in business transactions;

(iv) Develop clear legislation and regulation standards so that the line between legal and illicit activities is a clear one;

(v) Develop normative solutions to the problem of criminal responsibility of legal persons;

(vi) Businesses themselves must develop sufficient internal control mechanisms, train personnel and develop sanctions for transgressions;

(e) *Independent (civil society) measures*

(i) Increase education, awareness and involvement of civil society in order to mobilize civil society organizations (the media, non-governmental organizations, professional associations and research or university institutes) to research and monitor good governance;

(ii) Create and strengthen networks of non-governmental organizations to share information on local, national and regional initiatives;

(iii) Strengthen civil society to empower citizens to demand integrity and fairness in government and business transactions;

(iv) Develop good databases and networks for the analysis and monitoring of corruption trends and cases, as well as information exchange among different agencies dealing with corruption;

(v) Build and maintain an independent, professional and free media with a nation-building role by capacity-building; by enforcing integrity through introduction and monitoring of codes of conduct; by encouraging owners and editors to allow balanced reporting; and by encouraging the media to police itself;

(f) *International measures*

(i) Exchange information on regional and national best practice initiatives;

(ii) Develop, ratify and incorporate international instruments to encourage and strengthen anti-corruption programmes at the national level;

(iii) Consider the development of a comprehensive United Nations convention against corruption;

(iv) Establish adequate monitoring systems;

(v) Establish simplified and transparent competitive public procurement procedures and encourage the adoption of international rules in this area;

(vi) Adopt international rules in the areas of off-shore banking and international investment;

(vii) Increase cooperation in the investigative, prosecutorial and judicial realms.

VI. Conclusion

91. Corruption has debilitating effects upon society. It undermines the efficient allocation of financial resources for economic development and alters the composition of public expenditure. In addition to its detrimental effects on economic growth, corruption jeopardizes free trade, distorts competitiveness and undermines the stability upon which the free market system is based. Corruption further jeopardizes the credibility of Governments and their institutions and provides a breeding ground for organized crime to flourish. Moreover, it is a phenomenon that transcends national boundaries, affecting the public and private sectors, while businesses and public officials can be either perpetrators or victims of corrupt practices.

92. Strategies to fight corruption do not reside solely with criminal justice, but should also be coordinated with economic and social policies and the development of civic political culture. Because corruption is a process and a relationship, the State, its public administration and the citizens all share a responsibility in preventing and controlling it.

93. A number of mechanisms exist to fight corruption at various levels (local, national and transnational) within both the public and private sectors. International instruments, in the form of declarations, conventions and codes of practice and conduct, promote transnational cooperation and define prohibited and punishable offences. Those instruments, however, are limited and legal loopholes must be eliminated by means of national legislation. In spite of limited success stories, widespread implementation of anti-corruption measures and monitoring mechanisms has not happened, which underlines the need for a comprehensive United Nations convention against corruption.

94. In conclusion, future success in curbing corruption lies in an emphasis on prevention rather than oppression and, where necessary, in administrative or civil penalties rather than a penal approach. Firstly, awareness must be raised among citizens, businesses and public employees of the dangers of corruption. Then a moral commitment to and demand for integrity in government and private enterprises must be generated and encouraged. Public sector reforms, private sector initiatives and law reform efforts should emphasize prevention as well as prosecution. Finally, cooperation must be generated between businesses and between public and private sector organizations at the local, national and transnational levels to ensure success in fighting corruption.

Notes

[1] Petter Langseth and Bryane Michael, "Are bribe payments in Tanzania 'grease' or 'grit'?", *Crime, Law and Social Change*, No. 29, 1998, pp. 197-208.

[2] Petter Langseth, "Prevention: an effective tool to reduce corruption", paper presented at the International Scientific and Professional Advisory Council Conference on Responding to the Challenge of Corruption, held in Milan, Italy, on 19 and 20 November 1999 (the "Milan Conference").

[3] Simple corruption, or the base of the pyramid, refers mostly to bribery of public administrators and generally involves transactions between two individuals. Complex corruption, the top of the pyramid, generally corresponds to political corruption and involves several actors from both the supply and demand sides (see Ernesto Ugo Savona and Laura Mezzanotte, *La corruzione in Europa* (Roma, Carocci, 1998)).

[4] Alan Lai Nin, "Corruption prevention: a Hong Kong perspective", paper presented at the Milan Conference, p. 2.

[5] Cheryl W. Gray and Daniel Kaufmann, "Corruption and development", World Bank, *PREMnotes*, No. 4, May 1998, p. 2.

[6] Neritan Ceka, "Corruption in Albania: the struggle against windmills", paper presented at the Milan Conference, p. 2; and Bozo Kovacevic, "Corruption in Croatia", paper presented at the Milan Conference, p. 2.

[7] Bozo Kovacevic, "Corruption in Croatia", paper presented at the Milan Conference, p. 1.

[8] The following quotations are taken directly from Petter Langseth, "Update on Uganda: staying the course", World Bank, *PREM News*, June 1999:

(a) *At the hospital*

A man had taken his pregnant wife to hospital to have their baby delivered. He did not have the money demanded by the hospital. While he searched for money, the hospital workers let his pregnant wife die." (Soroti, site 1, men's group);

(b) *At the police station*

"If a woman is arrested, the policemen rape her." (Mukono, site 4, women's group);

"My husband was beaten by a thief. On the way the local commissioner caught the thief and took him to the police. The case was dismissed after the father of the boy paid the magistrate some money." (Hoima, site 2, women's interview group.

"Police bosses expect their subordinates to give them money and the subordinates are forced into corruption to satisfy their bosses. In turn, the bosses do not inspect or supervise." (Mubende);

(c) *In court*

"In courts, people who have money are usually set free and the poor remain in jail for a long time." (Lira, site 2, women's group);

"I had a land dispute with my neighbour, which we took to the police. I paid 270,000 shillings and my rival paid 260,000, but our case was not settled. When we both realized we were wasting a lot of money, we had to reach a compromise to avoid further wastage." (Kitgum, site 3, men's group);

(d) *How can we safely report corruption*?

"The communities should learn to report cases of corruption. But to whom? And are we safe?" (Mbale, site 3, men's interview group);

"The community is willing to report corrupt service workers, but they do not know where the offices of the Inspector-General of Government are in their area." (Luwero, site 4, women's group).

[9] Richard Nzerem, "Commonwealth action on corruption", paper presented at the Milan Conference, p. 5.

[10] Paulo Mauro, "The effects of corruption on growth, investment, and government expenditure", *A Cross-Country Analysis: Corruption and the Global Economy*, Kimberly Ann Elliott, ed. (Washington, D.C., Institute for International Economics, 1996), pp. 83-107.

[11] Rick Stapenhurst and Sahr Kpundeh, "Toward a model for building national integrity", *Development Studies* (Washington, D.C.), 1998.

[12] S. Bially, "International business community fosters ethical behaviour", *Public Management Forum*, vol. II, No. 5 (1996).

[13] In March 1997 riots caused the destruction of public order. The riots were provoked by the loss of money invested in pyramid schemes by thousands of people, owing to corruption within the bank sector involving also public authorities.

[14] M. Punch, "Police corruption and its prevention", paper presented at the Twelfth Criminological Colloquium of the Council of Europe, held in Strasbourg, France, from 24 to 26 November 1999.

[15] The monthly pay of a young teacher was U Sh 75,000.

[16] U. Zvekic, *Criminal Victimisation in Countries in Transition*, UNICRI Publication No. 61, 1998.

[17] The Augusta affair led to the resignation of Willy Claes from the North Atlantic Treaty Organization.

[18] It is estimated that an airline based in Japan paid an estimated 22.8 million yen between November 1995 and May 1999, ostensibly in the form of plant rental fees, but more likely in exchange for an agreement not to disrupt the airline shareholders meetings, a practice by corporate extortionist groups in Japan known as the *sokaiya*. For more information, see H. Katoh, "The actual situation and suggested countermeasure for the control of the corruption in the economic world in Japan: concerning the cozy relationship between politicians, financiers and organized crime groups (*Boryokudans*)", paper presented at the Milan Conference.

[19] William S. Laufer, statement made at the Milan Conference.

[20] Fiona Marcq, "The business world and corruption", paper present at the Milan Conference.

[21] While the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions is a milestone in efforts to combat bribery and corruption in international commerce, it is limited to addressing the supply side of corruption of public officials. Under its provisions, public officials who accept bribes must be dealt with according to the domestic criminal laws of the country of the foreign public official.

[22] P. C. Van Duyne, "Corruption: acts and attitudes", *Five Issues in European Criminal Justice: Corruption, Women in the Criminal Justice System, Criminal Policy Indicators, Community Crime Prevention, and Computer Crime*, Matti Joutsen, ed. (Helsinki, European Institute for Crime Prevention and Control, affiliated with the United Nations, 1999).

[23] Note once again that the draft Convention is aimed at corrupt activities directed towards international officials.

[24] Alberto Bradanini, "Corruption: the international experience and activities", paper presented at the Milan Conference.

[25] For further details on each organization, see J. T. Quah, "Controlling corruption in city-states: a comparative study of Hong Kong and Singapore", *Crime, Law and Social Change*, vol. 22, No. 4 (1995), pp. 391-414; M. Bersten, "Investigations by the New South Wales Independent Commission against Corruption: the law, procedures, practices and judicial review," *Current Issues in Criminal Justice*, vol. 3, No. 1 (1991); and A. N. Lai, op. cit., p. 2.

[26] See *International Review of Criminal Policy*, Nos. 41 and 42, 1993 (United Nations publication, Sales No. E.93.IV.4).

[27] C. W. Gray and D. Kaufmann, "Corruption ...", p. 3.

[28] Ibid., p. 4.

[29] Dimitar Abadjiev, "Achievements and difficulties in combating organized crime: the Bulgarian experience", paper presented at the Milan Conference, p. 1.

[30] Rafael Ordúz Medina,"Achievements and difficulties encountered: the Colombian experience", paper presented at the Milan Conference, p. 4.

[31] Jong-Bum Kim, "Korean implementation of the OECD Bribery Convention: implications for global efforts to fight corruption", paper presented at the Milan Conference, p. 23.

[32] H. Shinkai, ed. "Combating corruption in central and eastern Europe", UNICRI *Issues and Reports*, No. 10, 1997.

[33] The United Nations Survey of Crime Trends and Operations of Criminal Justice Systems is based on official criminal justice statistics on bribery provided by Member States. The latest data available refer to 1994.

[34] The International Crime Victim Survey is coordinated by an international working group, including UNICRI, the Home Office of the United Kingdom and the University of Leiden, The Netherlands. Its database contains more than 135,000 cases from household interviews in 60 countries. The Survey has already been carried out three times (1989, 1992-1994 and 1996-1997) and will be repeated for a fourth time in 2000.

[35] In some areas there is a problem of corruption among government or public officials. In answering the question, "During [last year] has any government official, for instance a customs officer, police officer or inspector in your country, asked you or expected you to pay a bribe for his service?"; respondents were asked to identify the category of public official and whether a report was made to a public or private agency.

[36] A. Ruzindana, Petter Langseth and A. Gakwandi, eds., *Fighting Corruption in Uganda: The Process of Building a National Integrity System* (Kampala, Fountain, 1998).

[37] Transparency International, a non-governmental organization based in Germany that monitors corruption in each country, has made quite a unique effort in this area. Apart from establishing national chapters and monitoring individual cases of corruption, publishes an annual ranking of countries according to "perceived cleanness" by business persons (the corruption perceptions index).

[38] See Johann Graf Lambsdorff, "The Transparency International corruption perceptions index 1999: framework document", paper presented at the Milan Conference. The 1999 corruption perceptions index includes data from the following sources: Freedom House Nations in Transit, Gallup International, the Economist Intelligence Unit, the Institute for Management Development, Lausanne, the International Crime Victim Survey, the Political and Economic Risk Consultancy, Hong Kong SAR, *The Wall Street Journal*, the *Central European Economic Review*, the World Bank and the University of Basel, and the World Economic Forum.

[39] The Seminar on Anti-Corruption Strategies for Central and Eastern European Countries, held at the International Law Enforcement Academy in Budapest in April 1997, in which 42 international experts and representatives from the police and public prosecution of Bosnia and Herzegovina, Bulgaria, the Czech Republic, Estonia, Hungary, Poland, Romania, the Russian Federation and Ukraine took part. The results of the analysis, based on information prepared for and discussed during the Seminar, are presented in H. Shinkai, ed., "Combating corruption ...".

[40] See "Conclusions and recommendations of the ADB/OECD Workshop on Combating Corruption in Asia/Pacific Economies", p. 3.

[41] Richard Nzerem, "Commonwealth action ...", p. 7.

[42] See the reports of the Secretary-General on United Nations standards and norms in the field of crime prevention and criminal justice (E/CN.15/1996/16) and on the use and application of the Code of Conduct for Law Enforcement Officials, together with the Basic Principles on the Use of Force and Firearms by Law Enforcement Officials (E/CN.15/1996/16/Add.2).

[43] Y. Grau, "The role of the European Commission in the fight against corruption", paper presented at the Milan Conference, p. 3.

[44] Bart W. Édes, "Promoting integrity in the public sector: the contribution of the OECD", paper presented at the Milan Conference, p. 2.

[45] M. L. Salazar, "The Council of Europe Criminal Law Convention on Corruption", paper presented at the Milan Conference, p. 4.

[32] H. Shinkai, ed. "Combating corruption in central and eastern Europe", UNICRI *Issues and Reports*, No. 10, 1997.

[33] The United Nations Survey of Crime Trends and Operations of Criminal Justice Systems is based on official criminal justice statistics on bribery provided by Member States. The latest data available refer to 1994.

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[35] In some areas there is a problem of corruption among government or public officials. In answering the question, "During [last year] has any government official, for instance a customs officer, police officer or inspector in your country, asked you or expected you to pay a bribe for his service?", respondents were asked to identify the category of public official and whether a report was made to a public or private agency.

[36] A. Ruzindana, Petter Langseth and A. Gakwandi, eds., *Fighting Corruption in Uganda: The Process of Building a National Integrity System* (Kampala, Fountain, 1998).

[37] Transparency International, a non-governmental organization based in Germany that monitors corruption in each country, has made quite a unique effort in this area. Apart from establishing national chapters and monitoring individual cases of corruption, publishes an annual ranking of countries according to "perceived cleanness" by business persons (the corruption perceptions index).

[38] See Johann Graf Lambsdorff, "The Transparency International corruption perceptions index 1999: framework document", paper presented at the Milan Conference. The 1999 corruption perceptions index includes data from the following sources: Freedom House Nations in Transit, Gallup International, the Economist Intelligence Unit, the Institute for Management Development, Lausanne, the International Crime Victim Survey, the Political and Economic Risk Consultancy, Hong Kong SAR, *The Wall Street Journal*, the *Central European Economic Review*, the World Bank and the University of Basel, and the World Economic Forum.

[39] The Seminar on Anti-Corruption Strategies for Central and Eastern European Countries, held at the International Law Enforcement Academy in Budapest in April 1997, in which 42 international experts and representatives from the police and public prosecution of Bosnia and Herzegovina, Bulgaria, the Czech Republic, Estonia, Hungary, Poland, Romania, the Russian Federation and Ukraine took part. The results of the analysis, based on information prepared for and discussed during the Seminar, are presented in H. Shinkai, ed., "Combating corruption ...".

[40] See "Conclusions and recommendations of the ADB/OECD Workshop on Combating Corruption in Asia/Pacific Economies", p. 3.

[41] Richard Nzerem, "Commonwealth action ...", p. 7.

[42] See the reports of the Secretary-General on United Nations standards and norms in the field of crime prevention and criminal justice (E/CN.15/1996/16) and on the use and application of the Code of Conduct for Law Enforcement Officials, together with the Basic Principles on the Use of Force and Firearms by Law Enforcement Officials (E/CN.15/1996/16/Add.2).

[43] Y. Grau, "The role of the European Commission in the fight against corruption", paper presented at the Milan Conference, p. 3.

[44] Bart W. Ėdes, "Promoting integrity in the public sector: the contribution of the OECD", paper presented at the Milan Conference, p. 2.

[45] M. L. Salazar, "The Council of Europe Criminal Law Convention on Corruption", paper presented at the Milan Conference, p. 4.

[46] Petter Langseth and Jeremy Pope, "Building integrity to fight corruption: learning by doing", paper presented at the Human Resources in Development Seminar, held at the University of Manchester, United Kingdom, June 1999.

[47] Y. Grau, "The role of the European Commission ...", p. 5.

[48] Bart W. Ėdes, "Promoting integrity ...", p. 13

[49] Vito Tanzi, "Transparency, governance and the role of the IMF", paper presented at the Milan Conference, p. 3.

[50] In September 1997, Transparency International organized in Lima the 8th International Anti-Corruption Conference, which produced the Lima Declaration. The document represents a first attempt of the international community to articulate a broad strategy for combating corruption, at the international and national levels, involving in all sectors of civil society. The 9th International Anti-Corruption Conference was held in Durban, South Africa, in October 1999, with the theme, "Global Integrity: 2000 and Beyond". It produced the Durban Commitment, which builds on the Lima Declaration, assesses the progress made and identifies a number of courses of action to which the 1,600 participants committed themselves. The 10th International Anti-Corruption Conference will take place in Prague in 2001.

[51] Raymond E. Kendall, "The international experiences and activities", paper presented at the Milan Conference, p. 11.